

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chambers of the Municipal Building on Tuesday, May 3, 2022 at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were City Manager Warren Wood, Deputy City Manager Rodney Miller, Assistant City Manager Rick Beasley, Deputy City Attorney Arnita Dula, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present except for Alderman Williams.
- II. Invocation by Reverend Jill Isola, Northminster Presbyterian Church
- III. Pledge of Allegiance
- IV. Special Presentations
  - A. Presentation of a Proclamation for Tourism Week to Chief Executive Officer, Hickory Metro Convention Center & Visitors Bureau Mandy Hildebrand.

Mayor Guess asked the Chief Executive Officer of the Hickory Metro Convention Center & Visitors Bureau, Mandy Pitts Hildebrand, to the podium. Mayor Guess read and presented the Proclamation for Tourism Week to Ms. Hildebrand. He appreciated all that Ms. Hildebrand, and her staff do, not just this week, but throughout the entire year.

Chief Executive Officer Mandy Hildebrand thanked Mayor Guess. The City of Hickory in the early 80s, recognized the importance of hospitality and tourism and it was Hickory's vision, partnered with Conover, and some other partners in the area, that realized that hospitality was extremely important, and it makes a big difference, not a big difference, a significant difference. She could not wait to see where they would be five years from now as well. She thanked Council and advised a lot of her team was out in the field, they were at different events that were happening in the area. They were at parks today, really focusing on those amenities that not only citizens enjoy, but it was bringing in visitors. She commented next time they go to the Crawdads game or to the art museum or your relatives come in town, but you want them to stay at a hotel, say hello to the front desk folks because they were the ones that were making a tremendous impact on the community. She thanked Mr. Wood and Mr. Mark Seaman that served on the Tourism Board as well because they were great ambassadors. She thanked Council.

Mayor Guess asked Ms. Hildebrand to thank her staff and tell them how much they appreciate them.

- B. Recognition of Street Supervisor Bobby Hatley, as the North Carolina State Champion of the NC-APWA Backhoe/Excavator Rodeo – Presentation by Public Works Director Steve Miller.

Mayor Guess asked Public Works Director Steve Miller to the podium for a special recognition.

Public Works Director Steve Miller asked Street Supervisor Bobby Hatley to the podium. Mr. Hatley used to be an operator for the City, but now he was a Street Supervisor. Every year the North Carolina APWA puts on an equipment rodeo, and they usually send that person out of the State of North Carolina to the National Event. They sent four staff members from Hickory and Mr. Hatley not only won one event, but he won both events. He was now the 2022 State Champion in a backhoe, and he was the 2022 State Champion in an excavator.

Mayor Guess commented that was quite impressive. He advised he attended one of those events when it was local, and they had to take that excavator and put a golf ball on a golf tee using the excavator. He asked if there was anything like that at this competition?

Street Supervisor Bobby Hatley explained for one event they took two construction barrels, and they took a two by six and then you had to take a five-gallon bucket with the bucket on the backhoe and slide it across to the end of the other one. In the other event, they had to actually stack up three different larger tires and two smaller tires and then take a cone and flip it upside down and put it down to the tires. That one was a little tougher than the first one, but it worked out pretty well.

Public Works Director Steve Miller added, as good as an operator that Mr. Hatley was, he was a better supervisor. He was a fine example of what they have at the City of Hickory that represent us out there day in and day out. He had his wonderful family with him. He would be representing not only the State of North Carolina, but the City of Hickory in the

National Event which would be held in Charlotte in August, so they would be cheering him on.

Mayor Guess asked if the prize was new excavator?

Mr. Hatley hoped so.

Public Works Director Steve Miller advised that both pieces of equipment he got into he had never been into. They were brands that they do not operate here at the City of Hickory.

Mayor Guess commented that makes it even more difficult.

Public Works Director Steve Miller commented he adapted very quickly. He gave Mr. Hatley the trophies.

A photo was taken of Mr. Hatley with his family and Public Works Director Steve Miller.

Mayor Guess asked Mr. Hatley if he was teaching his baby yet.

Mr. Hatley commented that he had had her in the equipment. He shared his photos with Councilmembers.

Mayor Guess thanked Mr. Hatley and commented that was quite the accomplishment and they were proud of him and everything that he does for the City each and every day.

City Manager Warren Wood commented to Mr. Steve Miller's point about Mr. Hatley, his supervisory skills, when they were short staffed like they are, it was so important to have people like Mr. Hatley every day that finds a way to hold everything together and get all the services provided and get the job done. They were lucky to have him.

Mayor Guess and Councilmembers thanked Mr. Hatley.

V. Persons Requesting to Be Heard

VI. Approval of Minutes

A. Regular Meeting of April 19, 2022.

Alderwoman Patton moved, seconded by Alderman Zagaroli that the Minutes of April 19, 2022 be approved. The motion carried unanimously.

VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Alderwoman Patton moved, seconded by Alderman Seaver that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

A. Budget Revision Number 19. (First Reading Vote: Unanimous)

B. Consideration of Rezoning Petition Number 22-06 for 8.84 Acres of Property Located on Valley Arbors Drive, Between Robinson Road and 21<sup>st</sup> Street SE, from Planned Development to an Amended Planned Development. (First Reading Vote: Unanimous)

VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderwoman Patton moved, seconded by Alderwoman Williams approval of the Consent Agenda. The motion carried unanimously.

A. Approved a Cemetery Deed Transfer from Amanda Baker Johnson, widow of Dr. Charles A. Johnson, Grantor to Audrey Webber Esposito, Grantee, Oakwood Cemetery, Plot J, Lot No. 9, Section 48, Grave Space No. 1 and 2. (Prepared by Attorney John G. Fuller).

B. Approved a Cemetery Deed Transfer from Mary McComb Turner, unmarried, to John Monaco and wife, Ramona Monaco, Oakwood Cemetery, Plot Nos. 7 & 8, Lot No. 2-P Section 46. (Prepared by Attorney Susannah L. Brown).

C. Approved a Cemetery Deed Transfer from Richard Craig McComb, unmarried, to Charles R. Young Sr., and wife, Elaine T. Young, Oakwood Cemetery, Plot Nos. 1 & 2, Lot No. 2-P Section 46. (Prepared by Attorney Susannah L. Brown).

- D. Called for a Public Hearing for Consideration of a Voluntary Non-Contiguous Annexation of .887 Acres of Property Located at 1281 27<sup>th</sup> Street Lane NE, PIN 3723-14-33-7638. (Authorized Public Hearing for May 17, 2022, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building).

RESOLUTION NO. 22-19  
RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED  
UNDER G.S. 160A-31 AND/OR 160A-58.1, AS AMENDED

WHEREAS, a petition from Tiffany Saephan and Xur Vang requesting annexation of an area described in a petition was received on April 14, 2022 by the City Council of the City of Hickory; and

WHEREAS, G.S. 160A-31 and G.S. 160A-58.1 provide that the sufficiency of the petition shall be investigated by the Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Hickory deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

THAT, the Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

CERTIFICATE OF SUFFICIENCY

TO THE CITY COUNCIL OF THE CITY OF HICKORY, NORTH CAROLINA:

I, Debbie D. Miller, City Clerk, do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31 and/or G.S. 160A-58.1, as amended:

Property of Tiffany Saephan and Xur Vang containing .887 acres more or less, located at 1281 27<sup>th</sup> Street Lane NE, identified as PIN 3723-14-33-7638.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Hickory this 14<sup>th</sup> day of April 2022.

/s/ Debbie D. Miller, City Clerk

RESOLUTION 22-20

RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION,  
PURSUANT TO G.S. 160A-31 OR G.S. 160A-58.1, AS AMENDED

WHEREAS, a petition requesting annexation of the area described herein has been received; and

WHEREAS, the City Council of the City of Hickory has, by Resolution, directed the Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Clerk as to the sufficiency of said petition has been made.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HICKORY:

Section 1: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on May 17, 2022 in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 2: The area proposed for annexation is described as follows:

Property of Tiffany Saephan and Xur Vang containing .887 acres more or less, located at 1281 27<sup>th</sup> Street Lane NE, and identified as PIN 3723-14-33-7638.

Section 3: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

RESOLUTION NO. 22-21

A RESOLUTION DETERMINING THE INTENT TO ANNEX INTO THE CORPORATE LIMITS OF THE CITY OF HICKORY CERTAIN PROPERTY OWNED BY TIFFANY SAEPHAN AND XUR VANG AND CALLING FOR A PUBLIC HEARING ON THE SAME

WHEREAS, Tiffany Saephan and Xur Vang are the owners of certain real property as described herein, which property is located at 1281 27<sup>th</sup> Street Lane NE, and containing .887 acres more or less, identified as PIN 3723-14-33-7638; and

WHEREAS, such property is currently located in the City's extra-territorial jurisdictional (ETJ); and

WHEREAS, it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex such property into the corporate limits of the City of Hickory as authorized by N.C.G.S. Section 160A-31; and

NOW, THEREFORE BE IT RESOLVED by the Hickory City Council, sitting in open session this 3<sup>rd</sup> day of May 2022, at a regularly scheduled meeting of the governing body of said Council, duly called and posted in accordance with the statutes of the State of North Carolina, as follows:

Section 1: That the Hickory City Council does determine that it is in the best interest of the health, safety, and well-being of the residents of the City of Hickory to annex the property described hereinafter into the corporate limits of the City of Hickory.

Section 2: That a public hearing on the question of annexation of the area described herein will be held at 7:00 p.m. on May 17, 2022 in the Council Chambers of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina.

Section 3: The same being that property reflected on maps entitled Saephan/Vang Voluntary Non-Contiguous Annexation Map 1, Current City Boundary, subject property outlined in red; Saephan/Vang Voluntary Non-Contiguous Annexation Map 2, Aerial Photography, subject property outlined in red; and Saephan/Vang, Voluntary Non-Contiguous Annexation Map 3, Current Zoning.

Section 4: Notice of said public hearing shall be published in The Hickory Daily Record, a newspaper having general circulation in the City of Hickory, at least ten (10) days prior to the date of said public hearing.

- E. Called for a Public Hearing for Consideration of Preliminary Assessment Roll No. 22-01, for Curb and Gutter Constructed along a Portion of 2510 and 2520 17<sup>th</sup> Street NE. (Authorized Public Hearing for May 17, 2022, at 7:00 p.m. in Council Chambers of the Julian G. Whitener Municipal Building).

RESOLUTION NO. 22-22

RESOLUTION AUTHORIZING PREPARATION OF ASSESSMENT ROLL AND  
PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL  
NO. 22-01

WHEREAS, the curb, and gutter project along a portion of 2510 and 2520 17<sup>th</sup> Street NE, Hickory has been completed and it has been determined that the project consisted of 354 linear feet of curb and gutter at \$28.50 per linear foot and 31 linear feet of driveway at \$57.25 per linear foot for the property located at 2510 and 2520 17<sup>th</sup> Street NE, Hickory.  
NOW, THEREFORE, BE IT RESOLVED:

THAT, the property whose owners that have not paid their proportionate part of the project shall be assessed at the rate of \$28.50 per linear foot of curb and gutter, and \$57.25 per linear foot of driveways;

THAT, the Clerk be, and she is hereby ordered to prepare an assessment roll or ledger to show the names of persons assessed as far as they can be ascertained, the amount assessed against them, respectively, with a brief description of the lots or parcels of land assessed, and

THAT, the Clerk shall file the Preliminary Assessment Roll in the City Clerk's Office available for public inspection and shall publish and notify property owners of the public hearing as required by North Carolina General Statute 160A-227.

THAT, a public hearing will be held at 7:00 p.m. in the Council Chamber of the Municipal Building, located at 76 North Center Street, Hickory, North Carolina, on the 17<sup>th</sup> day of May 2022, for the purpose of hearing all interested persons who appear with respect to any matter covered by the Preliminary Assessment Roll.

F. Approved the Community Relations Council Spring 2022 Grant Recommendations.

Community Relations Council requests City Council's approval of the Spring 2022 grant cycle. As part of the Community Relations Council's work plan and annual budget process, the Community Relations Council receives funds to disperse during the fiscal year through a grant process. Non-profit agencies working with diverse populations in Hickory are eligible for grant funding. The grant proposal must show how the program under consideration fits into the Community Relations Council's goals and mission and how the program will serve to improve human relations in the Hickory area. For the Spring 2022 grant cycle, the Community Relations Council received 13 grant application for projects totaling \$23,579 and is recommending approval of six grants totaling \$8,900. Funds are available in the Community Relations Council's budget for the recommended grant approvals. The Community Relations Council recommends funding of the six grants totaling \$8,900.

G. Approved a Resolution Accepting the Offer of Public Dedication of Southview Drive and Skyfall Lane.

Consideration of the acceptance of the offer of public dedication of street right-of-way, being Southview Drive and Skyfall Lane. These streets as shown as 60-foot-wide rights-of-way on a plat titled Wallace's View recorded in Plat Book 82, Page 49 of the Catawba County Registry. In 2022, construction was completed on a new 38 lot residential development off Wallace Dairy Road in southwest Hickory. As part of this development, two new streets were constructed to provide access to new building lots. The new streets are known as Southview Drive and Skyfall Lane. The City has been presented with an offer of public dedication of street rights-of-way. The areas offered for public dedication are two 60-foot-wide rights-of-way containing two newly constructed streets known as Southview Drive and Skyfall Lane. The streets were constructed by the developer as part of the Wallace's View residential development. The streets have been properly inspected by the City of Hickory and found to meet the minimum design requirements necessary for public maintenance. Public use and maintenance of street right-of-way cannot occur unless City Council formally accepts the offer of public dedication by means of a duly executed resolution. This requirement is outlined in the North Carolina General Statutes, as well as the City's Land Development Code. Staff recommends City Council's approval of the resolution accepting the offer of public dedication of two 60-foot-wide rights-of-way containing two newly constructed streets known as Southview Drive and Skyfall Lane.

RESOLUTION NO. 22-23

A RESOLUTION OF THE HICKORY CITY COUNCIL ACCEPTING THE OFFER OF  
PUBLIC DEDICATION OF LANDS AND IMPROVEMENTS KNOWN AS SOUTHVIEW  
DRIVE AND SKYFALL LANE

WHEREAS, NCGS §160D-806 and Article 2, Section 2.3.6 of the Land Development Code provide that City Council may by resolution accept offers of public dedication made to the public of lands and facilities for streets, sidewalks, open spaces, and public utilities after verification from the City Engineer such properties and improvements are in a manner acceptable for acceptance; and

WHEREAS, the City of Hickory has been provided an offer of dedication of lands and improvements known as Southview Drive and Skyfall Lane, which are which are shown on "EXHIBIT A" as two 60-foot-wide rights-of-way, and shown in more detail in Plat Book 84, Page 29 of the Catawba County Registry; and

WHEREAS, the City of Hickory has reviewed the land and improvements placed upon them provided as part of the offer of public dedication, and such land and improvements have been found to conform with standards in place for such land and improvements; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Hickory, North Carolina, the offer of public dedication for Southview Drive and Skyfall Lane, which are described in detail within Exhibit A, are accepted, subject to the following terms and conditions:

SECTION 1. Terms and Conditions of Acceptance:

1. The subdivider shall guarantee all materials and workmanship for a period of eighteen (18) months from the date of official acceptance by the City Council.

2. The acceptance by the City Council shall not be interpreted in any way to relieve any developer, contractor, subcontractor, insurance company, owner, or other person of his individual or several obligations under any ordinance, policy, or contract or to otherwise reduce or eliminate the rights of the city, its agents and employees against any other party connected with or in any way related to the development of the subdivision and facilities. The acceptance shall not be interpreted as a waiver of any defense or immunities that the city, its agencies, or employees may assert or be entitled to.
3. All rights, privileges and warranties of whatsoever nature and kind, for equipment, supplies, materials, goods, and services shall be assigned to the city and any and all benefits derived there from shall inure to the city, its agents, and employees. The acceptance of the lands and facilities shall be conditioned upon the owners covenanting and warranting that they are lawfully seized and possessed of all the lands and facilities dedicated to the public; that they have good and lawful authority to dedicate the same to the public for the stated purpose; that the lands and facilities are free and clear of any deed of trust, mortgage, lien or assessments and that the dedicators for their heirs, successors, executors, administrators, and assigns, covenant that they will warrant and defend the dedication of such land and facilities against any and all claims and demands whatsoever.
4. Acceptance of dedication of lands and facilities shall not obligate the city to construct, install, maintain, repair, replace, extend, improve, build, or operate any public facilities or utilities which are not in existence as of the date of the acceptance of the lands and facilities. Such acceptance shall not obligate the city to construct any main, line, pipe, lateral, or other extension or permit connection to the city’s water, sanitary sewer, storm sewer, drainage, or other public utilities systems.

SECTION 2. This Resolution shall become effective immediately upon adoption.

H. Approved on First Reading Budget Revision Number 20.

ORDINANCE NO. 22-21  
BUDGET REVISION NUMBER 20

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the General Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Transportation	417,000	-
Other Financing Uses	86,757	-
TOTAL	503,757	-

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	503,757	-
TOTAL	503,757	-

SECTION 2. To amend the Riverwalk NCDOT EB-5939 (#B1R002) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	910,614	-
TOTAL	910,614	-

To provide funding for the above, the Riverwalk NCDOT EB-5939 (#B1R002) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	910,614	-
TOTAL	910,614	-

SECTION 3. To amend the American Rescue Plan (#410001) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
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General Government	-	4,118,501
TOTAL	-	4,118,501

To provide funding for the above, the American Rescue Plan (#41001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	-	4,118,501
TOTAL	-	4,118,501

SECTION 4. To establish the American Rescue Plan (#41001) Grant Project, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	4,118,501	-
TOTAL	4,118,501	-

To provide funding for the above, the American Rescue Plan (#41001) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	4,118,501	-
TOTAL	4,118,501	-

SECTION 5. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- IX. Items Removed from Consent Agenda – None
- X. Informational Item
- XI. New Business:

A. Public Hearings

B. Departmental Reports

1. Quarterly Financial Report – Presentation by Deputy City Manager Rodney Miller

City Manager Warren Wood asked Deputy City Manager, and Chief Financial Officer Rodney Miller to the podium to present Council with the quarterly financial report.

Deputy City Manager Rodney Miller presented a PowerPoint presentation. He discussed the third quarter financial report for fiscal year 21-22. He referred to the PowerPoint and discussed the General Fund, the main operating fund of the City. This is nine months-worth of the fiscal year. He pointed out 75% of the year was complete. The largest revenue source was ad valorem taxes. The City had collected, almost through March, the annual budget, which was normal. They get a heavy dose of property tax revenues in December and January and then the rest starts trickling in for some folks that get in the newspaper. Catawba County does a great job of collecting those taxes for the City. They had collected almost all of those for the year. If they compare that number to the last year, they will see that they were up about \$2.6 million dollars. The reason for that was they raised taxes this year. They raised four cents on the property tax rate which was about \$2 million dollars. He discussed other taxes, the bulk of that was sales tax. He discussed intergovernmental revenues, the reason for that increase from last year primarily was Trivium costs. The City gets reimbursed from Catawba County. Catawba County revenues have increased as they had spent money for the Trivium project. They were seeing a slight uptick in investment earnings with interest rates rising. Total revenues were about \$53 million dollars and total expenditures, not quite \$51 million dollars. They were \$2.5 million dollars ahead of the game, so to speak through March, which was normal. Again, most of their revenues had come in, and they still have three months of operating costs that would cause that number to decrease over the coming months. He referred to the PowerPoint and displayed a slide of the City’s property tax revenues for the past five years. He pointed out the dollar amounts and the percentages from year to year. He referred to an asterisk on two of those years advising those were the years that the City actually increased taxes for the bonds, as you recall 6.25 cents of the eight cents that they had planned to increase over that seven-year period that they had been able to issue bonds. He advised budget revenues were \$33.5 million dollars. He referred to a slide and

advise he had put this slide in last quarter just for illustration, net property tax revenue. If they take out those property tax rate increases in those two years, they come up with these percentages. He pointed out the City was still growing in those years, which was a good thing, because as he said before, 10-years ago, the City was not growing their property tax revenues. It also showed that they have a lot in the pipeline, and they would see building activity later in the presentation. All of that had not hit the City's tax base yet. They were fortunate last year in 2021, they actually almost had a 5% increase from the year before. They had a lot come online that particular year that was taxed. Only about half of that so far this year, but next year they expect that to grow again with all the announcements and activity that they had going on. He mentioned next year will be a stellar year because January 1<sup>st</sup> was revaluation of property at least in Catawba County. They were certainly anxious to know what those increases would be. He was sure the residents and homeowners would as well, but that would be Catawba County assessing their property, not the City of Hickory.

Deputy City Manager Rodney Miller advised sales tax revenues, had been the City's bright spot. One reason why sales taxes were increasing was because goods cost more. If an \$100 item now costs \$120, well 7% on that item goes up. He referred to the PowerPoint slide and pointed out the City's sales tax revenues. He noted the last two years was really coming out of Covid. As Covid restrictions decreased and economic activity increased, more sales tax purchases were made, and hence more sales tax revenues come into the City of Hickory. That was really reflective of that. He commented that was good that they were getting those revenues.

Deputy City Manager Rodney Miller discussed the City's challenges, inflation. For March consumer price index had an 8.5% increase over a 12-month period, highest in 40-years, six straight months above 6%. That was not good, not good for the City of Hickory projects, not good for City of Hickory employees or City of Hickory residents, because they were all feeling the pinch of those inflation impacts. It also results from again, Covid impacts as he mentioned before, as more activity occurs, businesses are trying to recoup some of those dollars that they did not receive before. There was more demand, just look at gas prices. They were able to increase prices as that demand was increasing. They have a low, very, very, very low interest rate environment that was now starting to tick up this year and they had a boatload of Federal government stimulus, not only here at the City of Hickory, and Catawba County, but really across the country and all that stimulus pumped into the economy was going to make inflation. They were worried what was going to happen next. There was talk of a recession, it depends on which economists you talk to. They do not know at this point. They hope the gradual increases would help offset that. He hated to say what Mr. Wood said in the early 2000s that they were insulated because they were furniture, textiles, and fiber optics, but they were more diversified than ever now. Hopefully any recessionary impact would be modest at best, they hoped.

Deputy City Manager Rodney Miller pointed out some of the bad statistics. Construction had a 10% or more increase in 13 of 15 categories that the Bureau of Labor statistics put out. He advised he was talking to the contractor out at the airport doing the City's hangar. He had seen \$100 increase per ton. He saw it in January and again in March, that was \$200 per ton increase just in the last three months. Fortunately, the City bought at the lower level, but for future metal buildings they were going to feel that increase. Natural gas and gasoline were certainly higher, almost 50% higher. Food at home, this was for City employees and for the City's citizens, a 10% increase. Keep that in mind as he goes through the rest of the presentation. Plus, they were feeling it with electricity, if they were going shopping for apparel, new vehicles and used vehicles, that number did not change much from last month. The new vehicles had tapered off a bit if you could find them, but used vehicles were still way hot. He referred to the PowerPoint and pointed out water and sewer rates in there, as they go into next year's budget, obviously they have to realize the impacts to the City's citizens. They were feeling the pain of all those items previously mentioned, they were proposing a 3% increase, it was an increase, but it was a modest increase. They still have payroll, equipment to fund those water and sewer plants. He mentioned they had received a letter from Granite Falls, they were actually charging a 5.3% increase on water. The City of Hickory does buy some water or at least residents buy water from Granite Falls namely MDI.

Deputy City Manager Rodney Miller discussed wage, inflation, and staffing challenges. Annual US wage growth for this past year was an increase of 6%. If they got 10% on the prior slide for food, wage growth of 6%, what were businesses and industries and employers doing? They were facing these same challenges. They have more competition for less workers. The big industries with Covid, healthcare, retail, education, accommodation, the food industry,

Mandy's group, those folks were hit hard the last two years. They were now starting to see events come back at the Convention Center, thankfully. Folks were not traveling or eating out. They were seeing that now, finally. Again, for the City of Hickory with a number of restaurants that they have, that bodes well for them. Other jurisdictions that do not have those would not benefit from the sales tax like the City would. He discussed regional inflation pressures. They were seeing for the first time, other local governments were offering higher wages than the City, even in the four-county region and local employers. He commented just drive down 127 or Springs Road and take a look at the signs and what they were offering some of those folks per hour. He reminded folks if they see that, once they go try to get a job there, it would not be 40-hours a week in most cases, but that \$17 or \$18 an hour catches people's attention. They want to make sure that they were able to keep their good employees like Mr. Hatley, that they heard from earlier, and attract those folks for some of us older folks that were going to retire out over the next year so that they would have a good strong workforce here at the City of Hickory. One way they did that was they offered premium pay back in January that Council approved \$100 a month for employees back through the Covid pandemic. They were considering for the first time, a COLA, cost of living adjustment, for next year that they would hear more about at their budget retreat next week. He discussed staffing challenges. They had 27 employees that have retired or would in the next two months in this fiscal year. That was about 4.5% of the City's workforce. That was significant. On average over 10% of the City's workforce was vacant each month. Let that sink in for a moment. That was very, very difficult. They owe a lot to their employees for picking up the slack in these tough times. They had also seen change in labor trends. As he mentioned, retirements, they were having earlier retirements. He came from a conference and nationally, folks that were in their sixties that would have continued working through Covid, they were like, why do I do this? And they had given it up. The percentage was astronomical. It was four times the number of retirees for that 60 and up group than what they had seen previously. They were just tired of it. Younger employees. He thought they now were less interested in local government or a 30-year career. Decades ago, they would have folks that were going to the City, County or the State, stable environment, 30-year career, they were not seeing a lot of those anymore. The City's focus was going to continue to be on recruitment and retention. They had made targeted efforts towards those positions that were hard to fill and those where they continue to hemorrhage. They were making some inroads in that. They offer pay adjustments when necessary. They try to be competitive with entry pay and they had tried a sign-on referral bonus program now for about four months with limited success, but they had some success.

Deputy City Manager Rodney Miller discussed building permit activity. This continued to grow. From a total permit perspective, the residential numbers were a little down, you would not believe it from going around town. Compared to last year, commercial permits were up about 2.3% from last year. He referred to the PowerPoint and pointed out the values, the residential was up 15% from the year before commercial value was up 87%. Already through March they were at \$186 million dollars in value when typically, prior to Covid, a \$100 million a year would be great. They probably would double that at least this fiscal year. He referred to the PowerPoint and pointed out a few of the building activities. The most recent ones that they might know of or had seen, Starbucks, three locations coming up, which was going to be great for those that like a high-priced coffee. There was quite a bit of residential development going on as well, the most recent was Short Road, 295-units single-family housing had been announced and approved as well. They had been told they have their permits, and they would be starting shortly.

Deputy City Manager Rodney Miller discussed water and sewer. He advised there was nothing significant here. In fact, the City's revenues were a little down through March. They expect to pick that up through the last three months of the fiscal year. However, revenues were actually in a better place than where they were last year. Some of that had to do with capital and some of that had to do with projects they had already spent encumbrances on. They had spent them quicker this year than last year. They would make that number up and he was fairly confident that number would be in the black by June 30<sup>th</sup>.

Deputy City Manager Rodney Miller discussed the investment report. Last quarter, he came to Council with a weighted average yield in the City's securities of .25%. It had almost doubled in three months. The City was about 50 basis points on their investments. Those would go up as they continue to invest in higher securities. He thought the 10-year treasury hit 3%, if he remembered correctly, last week. They could go out 2, 3, or 4 years on some of the City's securities. He pointed out on the PowerPoint, Federal Farm Credit, Federal Home Loan Bank, Freddie Mac, and Fannie Mae. The City was investing in

those, percentages had increased, and that was on purpose too. Once they get all their tax revenues in January, then they were sitting on more cash that they want to invest at those higher levels. He referred to the PowerPoint and explained the slide was a breakdown by type of the City's investments. He noted they were down to about a half a million dollars of the City's last general obligation bonds that they had not spent yet and the ARPA money the City received, \$4.1 million dollars, they had made \$19,000 in interest sitting in the bank. They expect the second half of those ARPA funds to come in June or July of this year. And then at the retreat and beyond they would talk about how they were going to spend those dollars based on the rules that they were dealt with from the Feds. He asked Council for any questions.

Mayor Guess asked if there were any questions for Mr. Miller.

Alderman Zagaroli asked do they invest the money from the fund balance in these investments that he showed. Was that where the money has come from?

Deputy City Manager Rodney Miller commented that was kind of a trick question. Yes and no. They invest that money from cash. Fund balance was what they get when they take their total revenues less their total expenses and that money then falls into fund balance. People call it a savings account, that was not the technical term, but it was what was left over. That fund balance was made up of cash. Fund balance was just a number on their balance sheet, but it was really cash. If they look at the City's financial statements, cash was king. That was what they want to go look for. Yes, in the sense that what they had earned this year that would fall to fund balance would be invested. But the investments they see, the bulk of those were investments that were there from before. There was no new fund balance except in the current year they were in. If that makes sense. It was kind of a beginning balance at the beginning of the year and then they would add whatever this year does, and it would increase or decrease fund balance on June 30<sup>th</sup>.

Alderman Zagaroli asked if this was an accounting procedure.

Deputy City Manager Rodney Miller confirmed it was.

Alderman Zagaroli commented they were moving it around.

Deputy City Manager Rodney Miller advised he was not moving anything around, that he was aware of, it was mostly cash. That cash would be put in investments. He gave a perfect example. Money market. They knew what money market was, it was sitting over at the bank across the street. The North Carolina Capital Management Trust was a daily investment that they do. It was not cash, it earns about 15 basis points, but it was there so that they could pay the rest of their bills through June 30<sup>th</sup>, April, May, and June.

Alderman Zagaroli asked if they were 8.11% in the money market.

Deputy City Manager Rodney Miller responded, no, sir, that was 8% of the City's investment portfolio was in the money market account. The City has \$111 million dollars in total investments through March, which included the tax revenue that he previously referred to. That number would go down as they pay operating costs for April, May, and June. They would probably be left with about \$100 million dollars at the end of the year. That would be invested, as they could see, commercial paper, these were US Government Agencies securities and money market. The City has a series of liquid investments or a series of investments that may go out for years.

Alderman Zagaroli commented those were all secure.

Deputy City Manager Rodney Miller replied absolutely.

Alderman Zagaroli commented they were not gambling anywhere with any of them.

Deputy City Manager Rodney Miller replied no, sir, they were not. They were covered by FDIC Insurance for anything in the bank, anything over \$250,000. The four agency securities were guaranteed by the Federal Government. Commercial paper did have a little risk, but they only buy A1P1 which was the highest rated commercial paper they could buy. He added, Beth Wood, State Auditor, would make him say this, they were governed by the State Treasurer's office, and they were required to invest in securities. They could not do any stock market transactions, for example. Only eligible investment vehicles per General Statute 159.

Alderman Zagaroli thanked Mr. Miller, and advised it was perfectly clear.

Alderman Wood asked if earnings on ARPA monies were restricted as well.

Deputy City Manager Rodney Miller advised earnings meaning they go back to ARPA.

Alderman Wood commented they were under the same restrictions as the ARPA funds.

Deputy City Manager Rodney Miller confirmed that was correct. They had left them in ARPA. He advised they were required for ARPA funds to be put in a separate fund. They were not in the general fund; they were in a separate Special Revenue fund altogether as another requirement.

Alderman Wood thanked Mr. Miller.

Alderman Patton commented in spending those ARPA funds they were laid out what they could and could not spend.

Deputy City Manager Rodney Miller advised there were restrictions or opportunities on how they could spend that. They would be going over that with Council as they go through the budget.

Alderman Patton thanked Mr. Miller.

Mayor Guess asked for any other questions. He thanked Mr. Miller.

2. Appointments to Boards and Commissions

**CITIZENS ADVISORY COMMITTEE**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Small Cities Project Area

VACANT

**COMMUNITY APPEARANCE COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (Outside City but within HRA) (Council Appoints)

VACANT

**COMMUNITY RELATIONS COUNCIL**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Other Minority (Council Appoints)

VACANT

Other Minority (Council Appoints)

VACANT

Other Minority (Council Appoints)

VACANT

Differently Abled and is African American or Other Minority (Council Appoints)

VACANT

Differently Abled (Council Appoints)

Beth Whicker

(Not Eligible for Reappointment)

**LIBRARY ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 3 (Seaver Appoints)

VACANT

(Beth Schauble Resigned 11-10-2021)

**PUBLIC ART COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 4 (D. Williams Appoints)

VACANT

**RECYCLING ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Ward 6 (Patton Appoints) (Lona Hedrick Resigned 1-11-2022)

VACANT

**YOUTH COUNCIL**

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

Youth Council Applicant Review Committee Recommends the Following Appointments:

Fred T. Foard

VACANT

Homeschool

VACANT

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

Mayor Guess mentioned the announcement was made today from Catawba County that the new County Manager was Ms. Mary Furtado. Of course, everybody knew that Mick Berry was retiring in July, and they made the announcement today that that she would be the new County Manager and he wanted to congratulate her, and they look forward in their continuing relationships with the County government. They had always had great relationships with the County government and they do not see any reason for that to change. Congratulations to her and they look forward to working with her in the future.

Mayor Guess advised that Alderman David Williams had not been present at tonight's meeting or the last meeting. He had a medical condition, not anything that was drastic or anything like that, but he wanted Mayor Guess to mention that he wanted them to keep him in their thoughts and prayers. Alderman Seaver was here tonight, but he spoke with him before the meeting, and he has some medical issues that was going to need some attention. He had said that he may have to miss a couple of meetings and he would let him expand on that if he would like to. The sense was to keep both of them in their thoughts and prayers as they were facing some medical conditions.

Alderman Seaver advised his condition was his heart. He thought most of them knew, that nearly five-years ago he had a heart-attack and they put a couple of stents in him and said get stronger because he was going to need some bypass surgery. Well, the word was he was going to have some bypass surgery this Friday morning at 5:30, he was going to be at Frye Hospital. He asked for everyone to keep him in their thoughts and prayers. It helped a whole lot the first time and he hoped it would help a whole lot this time too. They saved his life over there, so he was entrusting himself to the Frye Physicians over there again.

Mayor Guess commented in spite of the fact that he was the first one he saw when he woke up.

Alderman Seaver commented that was true.

XIV. There being no further business, the meeting adjourned at 7:36 p.m.

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Mayor

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City Clerk